

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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:
In re :
:
AEROCENTURY CORP., *et al.*, : Chapter 11
:
Debtors.¹ : Case No. 21-10636 ()
:
: (Joint Administration Requested)
-----X

**MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING
THE DEBTORS TO CONTINUE PREPETITION INSURANCE POLICIES AND
PAY ALL PREPETITION OBLIGATIONS IN RESPECT THEREOF, AND (II)
AUTHORIZING BANKS TO HONOR RELATED CHECKS AND TRANSFERS**

The debtors and debtors in possession in the above-captioned case (collectively, the “Debtors”), hereby submit this motion (the “Motion”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an interim order (the “Interim Order”) and a final order (the “Final Order”), substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, (i) authorizing, but not directing, the Debtors to (a) continue to maintain and administer their prepetition insurance policies and revise, extend, renew, supplement, or change such policies, as needed, and (b) pay or honor obligations arising under or in connection with their insurance policies, including prepetition obligations arising in the ordinary course of business, if any, and (ii) authorizing the Debtors’ banks and other financial institutions (collectively, the “Banks”) to honor and process related checks and electronic transfers. In support of this Motion, the Debtors rely on the *Declaration of Harold M. Lyons in Support of Chapter 11 Petitions and First Day Applications* (the “First Day”

¹ The Debtors in these chapter 11 cases, along with the last four digits of their federal employer identification number, are: AeroCentury Corp. (3974); JetFleet Holding Corp. (5342); and JetFleet Management Corp. (0292). The Debtors’ mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.



Declaration”),² which was filed contemporaneously with this Motion and is incorporated herein by reference. In further support of this Motion, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Debtors consent, pursuant to rule 9013-1(f) of the Local Rules of Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004.

BACKGROUND

A. General Background

3. On the date hereof (the “Petition Date”), the Debtors each commenced a bankruptcy case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”). The Debtors are authorized to continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No official committees have been appointed in the Chapter 11 Cases, and no request has been made for the appointment of a trustee or examiner.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

4. Additional factual background relating to the Debtors' business, capital structure, and the commencement of the Chapter 11 Cases is set forth in further detail in the First Day Declaration.

B. The Insurance Program

5. In the ordinary course of business, the Debtors maintain a carefully designed and vitally important insurance program (the "Insurance Program"). The Insurance Program includes multiple insurance policies (each a "Policy" and, collectively, the "Policies"). The Policies vary in amounts and types of coverage in accordance with prudent business practices, state and local laws governing the jurisdictions in which the Debtors operate, and various contractual obligations. The Policies include: (i) property/all risk, (ii) directors and officers liability, (iii) employment practices liability, (iv) kidnap and ransom, and (v) a foreign package (including workers' compensation and travel insurance), among others. Additionally, the Debtors have a Policy that covers hull, liability, and war risk coverage for all off-lease aircraft, and contingent liability insurance for two on-lease aircraft in Kenya (the "Aircraft Policy"). The Aircraft Policy Policy also provides coverage for general liability and employer's liability. The Policies that are the subject of this Motion are listed in the schedule attached hereto as **Exhibit C** (the "Insurance Schedule").³ For each Policy, the Insurance Schedule includes, among other things: (i) the corresponding insurance carrier (each an "Insurance Carrier" and, collectively, the "Insurance Carriers"); (ii) the policy number; (iii) the policy start date; and (iv) the policy end date.

³ The Policies summarized on the Insurance Schedule are representative only and are not intended to restrict the Debtors from changing carriers or programs or adding different types of insurance in the reasonable exercise of the Debtors' discretion.

6. The total annual premiums under the current Policies are approximately \$800,000 in the aggregate.⁴ The Debtors pay the premium for directors and officers insurance at the beginning of the policy year in early January. The premium for the director and officers insurance for 2021 was \$450,000.00 and was paid on January 6, 2021. The premiums due under the Aircraft Policy depend on the insured values for the insured aircraft and the length of time the insured aircraft are off lease. Under the Aircraft Policy, the Debtors make two semi-annual deposit premium payments of \$11,083 in mid-March and mid-September of each year, and semi-annual adjustments are billed in arrears based on the number of insured days for each asset. The adjustments due under the Aircraft Policy for the period from March 15, 2020, to September 14, 2020, was \$81,197 and was paid by the Debtors on November 20, 2020. The Debtors are current on their insurance premiums as of the Petition Date. The Debtors seek authority to continue the Policies in the ordinary course of business and to pay all prepetition amounts related thereto, including, but not limited to premiums, claims, deductibles, retentions, retrospective adjustments, and administrative fees.

C. Broker Fees

7. In connection with the Insurance Program, the Debtors obtain brokerage services from Crystal IBC, LLC (the “Broker”). The Broker assists the Debtors in obtaining comprehensive insurance for their operations by, among other things, assisting the Debtors with the procurement and negotiation of the Policies, and enabling the Debtors to obtain those policies on advantageous terms at competitive rates.

⁴ Calculations for total annual premiums and for the annual premium under each Policy listed in the Insurance Schedule may not include additional charges on certain policies such as broker commissions, surcharges, policy fees, and charges for surplus lines. For the avoidance of doubt, the Debtors seeks to make payments on account of these charges as well as on the base premiums due.

8. The Debtors have historically paid the Broker approximately \$30,000 for brokerage services at the beginning of each policy year in mid-March (the “Broker Fees”). The Debtors have paid all Broker Fees through the current policy year, and do not believe any Broker Fees are due at this time. To the extent that the payments for the Broker Fees or any portion thereof constitute prepetition obligations, the Debtors seek authorization, but not direction, to continue to make such payments in the ordinary course of business.

RELIEF REQUESTED

9. By this Motion, the Debtors request entry of the Interim Order and the Final Order (i) authorizing, but not directing, the Debtors to (a) continue to maintain and administer the Policies and revise, extend, renew, supplement, or change the Policies, as needed, in the ordinary course of business and consistent with the Debtors’ past practice (including through obtaining “tail” coverage), and (b) pay or honor all obligations arising under or in connection with the Policies, including any Broker Fees, in the ordinary course of business and consistent with the Debtors’ past practice, and (ii) authorizing the Banks to honor and process related checks and electronic transfers.

BASIS FOR RELIEF

A. The Continuation of the Insurance Program and Payment of Prepetition Obligations in Respect Thereof Are Necessary and Appropriate.

10. The Court may grant the relief requested herein pursuant to section 363 of the Bankruptcy Code. Section 363(b)(1) provides that a debtor in possession, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under this section, a court may authorize a debtor to pay certain prepetition claims. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (finding that a sound business justification existed to justify payment of prepetition wages);

see also Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.), 29 B.R. 391, 397 (S.D.N.Y. 1983) (relying on section 363 of the Bankruptcy Code to allow a contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors). To do so, “the debtor must articulate some business justification, other than the mere appeasement of major creditors.” 98 B.R. at 175.

11. In addition, sections 1107(a) and 1108 of the Bankruptcy Code authorize a debtor in possession to continue to operate its business. 11 U.S.C. §§ 1107(a), 1108. Indeed, a debtor in possession operating a business under section 1108 of the Bankruptcy Code has a duty to protect and preserve the value of its business, and prepetition claims may be paid if necessary to perform the debtor’s duty. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (“There are occasions when this duty can only be fulfilled by the preplan satisfaction of a prepetition claim.”). The *CoServ* court specifically noted that the pre-plan satisfaction of prepetition claims would be a valid exercise of the debtor’s fiduciary duty when the payment “is the only means to effect a substantial enhancement of the estate.” *Id.*

12. To supplement these explicit powers, section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Numerous courts have recognized that payments to prepetition creditors are appropriate pursuant to section 105(a) of the Bankruptcy Code under the “doctrine of necessity” or the “necessity of payment” rule where such payments are necessary to the continued operation of the debtor’s business. *See, e.g., In re Lehigh & New England Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that a court could authorize the payment of prepetition claims if such payment was essential to the continued operation of the

debtor); *In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972) (holding that the necessity of payment doctrine permits “immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims have been paid”); *In re Ionosphere Clubs*, 98 B.R. at 176 (recognizing “the existence of the judicial power to authorize a debtor . . . to pay prepetition claims where such payment is essential to the continued operations of the debtor.”); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 825 (D. Del. 1999) (“The Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11.”); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (finding that a debtor is entitled to pay certain prepetition creditors upon a showing that the payment is “essential to the continued operation of the business” (citations omitted)).

13. The relief sought by this Motion is appropriate under each of the foregoing standards. In light of the importance of maintaining insurance coverage with respect to their business activities, the Debtors believe it is in the best interest of their estates to maintain the Policies and to pay any prepetition premiums necessary to do so, as well as to revise, extend, supplement, or change insurance coverage, as necessary, pursuant to section 363(b)(1) of the Bankruptcy Code. If the Policies lapse, or if certain of the Insurance Carriers cancel the Policies or otherwise refuse to continue doing business with the Debtors on account of unpaid premiums, before the Debtors are able to find replacement coverage, the Debtors’ estates could be exposed to significant liabilities. The loss of any insurance coverage would impose considerable administrative and financial burden on the Debtors, requiring the Debtors’ management to expend significant attention and resources to secure replacement coverage at a critical juncture in the

Chapter 11 Cases and, possibly, rendering the Debtors non-compliant with the U.S. Trustee's requirement that the Debtors maintain insurance coverage during these Chapter 11 Cases.

B. The Banks Should Be Authorized to Honor and Process Payments on Account of Prepetition Obligations in Respect of the Insurance Program.

14. The Debtors represent that they have sufficient funds to pay the amounts described herein in the ordinary course of business, including through their access to cash collateral. As a result of the commencement of these Chapter 11 Cases and in the absence of a Court order providing otherwise, the Debtors' checks and electronic fund transfers on account of prepetition obligations related to the Insurance Program may be dishonored or rejected by financial institutions. Under the Debtors' cash management system, the Debtors can readily identify checks or transfers as relating directly to payment of prepetition obligations related to the Insurance Program. Accordingly, the Debtors believe that prepetition checks and transfers other than those related to the Insurance Program will not be honored inadvertently. The Debtors submit that the Banks should be authorized to rely on the Debtors' representations with respect to whether any check drawn or transfer request issued by the Debtors prior to the Petition Date should be honored pursuant to this Motion.

IMMEDIATE RELIEF IS JUSTIFIED

15. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code or to satisfy prepetition claims within twenty-one days of the petition date requires the debtor to demonstrate that such relief "is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003(b). As described above, any disruption of the Insurance Program would substantially diminish or impair the Debtors' efforts in these Chapter 11 Cases to preserve and maximize the value of their estates. For this reason and those set forth above, the Debtors respectfully submit that Bankruptcy Rule 6003(b)

has been satisfied and that the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

WAIVER OF ANY APPLICABLY STAY

16. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seeks in this Motion is necessary for the Debtors to operate their business without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

17. To implement the foregoing immediately, the Debtors also respectfully request a waiver of the notice requirements of Bankruptcy Rule 6004(a), to the extent they are applicable.

RESERVATION OF RIGHTS

18. Nothing in the Interim Order, the Final Order, or this Motion (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any party in interest; or (iv) shall be construed as a promise to pay a claim.

NOTICE

19. The Debtors will provide notice of this motion to: (i) the United States Trustee for the District of Delaware; (ii) the holders of the five (5) largest unsecured claims against the Debtors; (iii) counsel to the prepetition lender; (iv) the United States Attorney's Office for the District of Delaware; (v) the Internal Revenue Service; (vi) the United States Securities and Exchange Commission; (vii) the Insurance Carriers; and (viii) any party that requests service pursuant to Bankruptcy Rule 2002. Notice of this motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors respectfully submit that no other or further notice is required or necessary.

[Remainder of page intentionally left blank.]

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the Interim Order and Final Order, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, granting the relief requested herein and such other relief as is just and proper.

Dated: March 29, 2021
Wilmington, Delaware

/s/ Joseph M. Mulvihill

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	-X	
	:	Chapter 11
In re	:	
	:	Case No. 21- <u>10636</u> ()
AEROCENTURY CORP., <i>et al.</i> ,	:	
	:	(Jointly
Debtors. ¹	:	
	:	Administered) Re:

Docket No. ____

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE
PREPETITION INSURANCE POLICIES AND PAY ALL PREPETITION
OBLIGATIONS IN RESPECT THEREOF AND (II) AUTHORIZING
BANKS TO HONOR RELATED CHECKS AND TRANSFERS**

Upon the motion (the “Motion”)² of the Debtors for entry of interim and final orders, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, (i) authorizing the Debtors to (a) continue to maintain and administer prepetition insurance policies and revise, extend, renew, supplement, or change such policies, as needed, and (b) pay or honor obligations arising under or in connection with their insurance policies, including prepetition obligations arising in the ordinary course of business, if any, and (ii) authorizing the Banks to honor related checks and transfers; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and proper and adequate notice of the Motion and the hearing thereon having been given; and it appearing that no

¹ The Debtors in these chapter 11 cases, along with the last four digits of their federal employer identification number, are: AeroCentury Corp. (3974); JetFleet Holding Corp. (5342); and JetFleet Management Corp. (0292). The Debtors’ mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

other or further notice being necessary; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. Objections to entry of an order granting the Motion on a final basis must be filed by _____, 2021, at 4:00 p.m. (ET) and served on: (i) the Debtors at 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010; (ii) proposed co-counsel to the Debtors, (a) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Joseph M. Barry, Esq. (jbarry@ycst.com), Ryan M. Bartley, Esq. (rbartley@ycst.com), and S. Alexander Faris, Esq. (afaris@ycst.com), and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq. (lmarinuzzi@mofo.com) and Erica J. Richards, Esq. (erichards@mofo.com); (iii) counsel to the prepetition lender, Vedder Price P.C., 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland (npoland@vedderprice.com) and David L. Kane, Esq. (dkane@vedderprice.com); the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Linda Casey, Esq. (linda.casey@usdoj.gov); and (v) counsel to any statutory committee appointed in the Chapter 11 Case. A final hearing, if required, on the Motion will be held on _____, 2021, at _____.m. (ET). If no objections are filed to the Motion, this Court may enter a final order without further notice or hearing.

3. The Debtors are authorized, but not directed, to (i) continue to maintain and perform under their Insurance Program, and (ii) revise, extend, renew, supplement, or change the Policies or enter into new policies (including through obtaining “tail” coverage), if necessary, in the ordinary course of business consistent with the Debtors’ past practice, *provided, however*, that the Debtors shall not make payments in excess of \$10,000 prior to entry of the Final Order, or absent further order of this Court.

4. The Debtors are authorized, but not directed, in their discretion, to pay, honor, or otherwise satisfy premiums, claims, deductibles, retentions, retrospective adjustments, administrative fees, and any other obligations that were due and payable or related to the period prior to the Petition Date on account of the Insurance Program. The Debtors shall not make any payments with respect to the Broker Fees prior to entry of the Final Order, or absent further order of this Court.

5. The Banks are authorized, when requested by the Debtors, in the Debtors’ discretion, to process and honor all checks and fund transfer requests for prepetition obligations related to the Insurance Program that the Debtors are authorized to pay pursuant to this Interim Order, regardless of whether the checks were presented or fund transfer requests were submitted before or after the Petition Date, *provided*, that funds are available in the Debtors’ accounts to cover the checks and fund transfers. The Banks are authorized to rely on the Debtors’ designation of any particular check or fund transfer request to be honored.

6. The Debtors are authorized to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests in respect of any prepetition obligations authorized in this Interim Order that were dishonored or rejected as a consequence of the commencement of these Chapter 11 Cases.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Interim Order (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any party in interest, or (iv) shall be construed as a promise to pay a claim.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

9. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

10. The terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

11. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Interim Order.

EXHIBIT B

Proposed Final Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	-X	
	:	Chapter 11
In re	:	
	:	Case No. 21- <u>10636</u> ()
AEROCENTURY CORP., <i>et al.</i> ,	:	
	:	(Jointly Administered)
Debtors. ¹	:	
	:	Re: Docket Nos. ____ & ____

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE
PREPETITION INSURANCE POLICIES AND PAY ALL PREPETITION
OBLIGATIONS IN RESPECT THEREOF, AND (II) AUTHORIZING
BANKS TO HONOR RELATED CHECKS AND TRANSFERS**

Upon the motion (the “Motion”)² of the Debtors for entry of interim and final orders, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, (i) authorizing the Debtors to (a) continue to maintain and administer prepetition insurance policies and revise, extend, renew, supplement, or change such policies, as needed, and (b) pay or honor obligations arising under or in connection with their insurance policies, including prepetition obligations arising in the ordinary course of business, if any, and (ii) authorizing the Banks to honor related checks and transfers; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and proper and adequate notice of the Motion and the hearing thereon having been given; and it appearing that no

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² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

other or further notice being necessary; and this Court having entered that certain *Interim Order (I) Authorizing the Debtors to Continue Prepetition Insurance Policies and Pay All Prepetition Obligations in Respect Thereof, and (II) Authorizing Banks to Honor Related Checks and Transfers* [D.I. ____]; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to (i) continue to maintain and perform under their Insurance Program, and (ii) revise, extend, renew, supplement, or change the Policies or enter into new policies (including through obtaining “tail” coverage), if necessary, in the ordinary course of business consistent with the Debtors’ past practice.
3. The Debtors are authorized, but not directed, in their discretion, to pay, honor, or otherwise satisfy premiums, claims, deductibles, retentions, retrospective adjustments, administrative fees, broker fees (including, without limitation, the Broker Fees), and any other obligations that were due and payable or related to the period prior to the Petition Date on account of the Insurance Program.
4. The Banks are authorized, when requested by the Debtors, in the Debtors’ discretion, to process and honor all checks and fund transfer requests for prepetition obligations related to the Insurance Program that the Debtors are authorized to pay pursuant to this Final Order, regardless of whether the checks were presented or fund transfer requests were submitted before or after the Petition Date, *provided*, that funds are available in the Debtors’ accounts to cover the

checks and fund transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or fund transfer request to be honored.

5. The Debtors are authorized to issue postpetition checks or to affect postpetition fund transfer requests in replacement of any checks or fund transfer requests in respect of any prepetition obligations authorized in this Final Order that were dishonored or rejected as a consequence of the commencement of these Chapter 11 Cases.

6. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Final Order (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any party in interest, or (iv) shall be construed as a promise to pay a claim.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

8. The terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

9. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Final Order.

EXHIBIT C**Insurance Policies**

Coverage	Carrier	Policy No.	Policy Start Date	Policy End Date	Approximate Annual Premium
Property/all risk	Greenwich Insurance Company	2861175	04/01/2020	04/01/2021	\$1,507
Directors & Officers Liability Executive Lines Package	National Union Fire Insurance Company of Pittsburgh, Pa.	034177698	1/1/2021	12/31/2021	\$250,000
Directors & Officers Liability Additional Side A	Hudson Insurance Company	HN03032360123119	1/1/2021	12/31/2021	\$200,000
Employment Practices Liability	Travelers Casualty	107137014	8/14/2020	8/14/2021	\$5,769
Kidnap and Ransom	Chubb/Federal Insurance	8208-3708	04/01/2020	04/01/2021	\$1,045
Foreign Coverage Package	Chubb PHFD	38362975 008	04/01/2020	04/01/2021	\$4,606
Hull, Liability, and War Risk Coverage (2)	Various	B0702AD003640O (Hull & Liability)	03/15/2020	03/14/2021	\$21,467 + semi-annual adjustments
	Lloyd's of London	B0702AD005170O (War Risk)	03/15/2021	03/14/2022	\$698